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August 11, 2010

President Barack Obama
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear Mr. President,

On behalf of our more than 150,000 members and supporters nationwide, Public Citizen urges caution in negotiation of the Oil Spill Victim Compensation Fund with BP. We are strongly supportive of the administration's insistence that such a fund be established, and your assertion that BP accept responsibility for cleaning up the damage it has caused and compensating those injured by the misconduct leading to the Deepwater Horizon explosion and subsequent oil gusher. However, we have very serious concerns about the reported proposed structure of the contractual arrangement being negotiated to establish the Fund.

First, we urge the Administration to reconsider using revenue from BP's existing 149 Gulf of Mexico oil and gas wells as collateral for the Oil Spill Victim Compensation Fund. Linking the solvency of the Fund to continued and possibly expanded offshore drilling by BP poses the following conflicts:

- 1. It threatens to inhibit ongoing criminal probes of the company's probable negligence.** A criminal investigation resulting in sanctions imposed against BP – including banning the company from federal leases in the Gulf – will be at odds with the government's agreement to use BP's leases as collateral for the Fund.
- 2. It ensures that BP maintains a robust presence in offshore oil drilling despite indications that BP's management of such operations have placed workers and the environment at risk. BP's management problems are well-known and deep. The company has the worst environmental and worker safety record in the business. But the administration might be less likely to address those problems if it means the company can't continue its profitable business-as-usual style.**

Public Citizen requests a meeting with the decision-makers of these negotiations to help ensure that the public interest –not BP’s interests – are being prioritized.

Sincerely,

Tyson Slocum, Director
Public Citizen’s Energy Program

Cc: Carol Browner
Eric Holder